

Chapter V

Grant Administration and Management

V. Grant Administration and Management	5-3
A. Overview	5-3
B. Grant Management	5-3
C. Submission of Claims	5-3
i. Conditions	5-3
ii. Payment Procedures	5-3
iii. Documentation	5-4
iv. Advances	5-4
v. Costs Incurred	5-4
D. Public Information and Education (PI&E)	5-4
i. Materials	5-4
ii. Advertising	5-5
iii. Sports Marketing	5-6
E. Procurement of Goods and Services – Contracts	5-7
F. Food/Beverage Costs	5-7
i. TSO and Subgrantee Purchases – Federal Requirements	5-7
ii. TSO Purchases – State Requirements	5-8
G. Property Management	5-8
i. Federal and State Requirements and Thresholds	5-8
ii. Subgrantee Property Management Systems	5-9
iii. Subgrantee Property Records Requirements	5-9
iv. Subgrantee Inventory	5-9
v. TSO Inventory	5-10
vi. Disposition	5-10
H. Subgrantee Travel	5-11
I. Indirect Costs	5-12
J. Timekeeping	5-13
K. Program Income	5-14
L. Supplanting	5-15
M. Grant File Maintenance	5-15
N. Monitoring	5-16
i. Purpose	5-16

Chapter V – Grant Administration and Management

ii. Types of Monitoring	5-16
iii. Major Elements of Monitoring Procedures	5-16
Table 8. Monitoring Criteria	5-17
iv. Ongoing Monitoring	5-17
v. On-site Monitoring	5-18
Table 9. Source Documents Reviewed During On-Site Monitoring	5-19
Table 10. On-Site Monitoring Warning Signs	5-20
O. Resolution of Monitoring Findings	5-20
i. Minor Findings	5-20
ii. Repeated Incidence/More Serious Findings	5-20
iii. Significant Findings Requiring Immediate Action	5-21
iv. Resolution of Repeated, More Serious, and Significant Findings	5-21
v. Removal of “Grantee on Notice” Status	5-22
P. Federal Funding Accountability and Transparency Act (FFATA)	5-22
i. Reporting Timeline for Prime Contractors	5-22
ii. Reporting Timeline for Prime Grant Recipients	5-23
iii. Procedures	5-23
Attachment 6	
Attachment 7	
Attachment 8	

V. Grant Administration and Management

A. Overview

This chapter contains sections on a wide range of procedures, most of which are administrative in nature, for specific methods involved in the administration and management of the state's traffic safety program.

Some of the sections contained in this chapter pertain to subgrantees, some only to the specific staff within the TSO, and some to all involved in the traffic safety program.

B. Grant Management

The TSO employee responsible for the day-to-day oversight of a grant is the Program Manager. The Program Manager is responsible for tasks associated within their program area(s) of responsibility (for example, impaired driving, occupant protection, police traffic services, etc.) including final grant agreement preparation, execution, and administration. Failure to perform these tasks correctly can result in significant grant management and payment problems. New program personnel will attend applicable NHTSA program management courses (Managing Federal Finances, Program Management, Impaired Driving, Occupant Protection, Traffic Records, etc.) within 12 months of hire (if funding allows and authority to travel is provided).

The Program Manager will monitor and evaluate the subgrantee's performance and will expedite invoice processing without unnecessary delays.

C. Submission of Claims

i. Conditions

Reimbursement of costs under a final grant agreement is contingent upon the following conditions:

- The availability of appropriated funds
- Actual costs having been incurred (services provided, hours worked, etc.) in accordance with the approved project budget
- Compliance with the cost principles established in the OMB circulars referenced in the grant agreement

Subgrantees use a TSO-provided reimbursement form (referred to as a "voucher") to "bill" the TSO for costs incurred under the terms of grant agreements.

ii. Payment Procedures

The TSO has established the following payment procedures for subgrantees.

- Subgrantees will submit claims to the TSO on a monthly basis or as provided in accordance with the terms of their contract agreements.
- Subgrantees will include a progress report with claims in order to provide sufficient background information for verification of the accuracy and appropriateness of program charges with some exceptions. (See also Chapter IV. *Grant Selection and Execution, Section F. Reporting Requirements*).
- All claims for goods received or services performed on or prior to September 30 of the grant year must be received by the TSO no later than November 15. However, at the close of the state fiscal year (June 30), claims must be submitted no later than July 15. Claims received after this date may not be reimbursed.

- Subgrantees must submit their final claim within 45 days of the end of the grant period if the grant time period is not based on the federal fiscal year.
- Claims received after the above cutoff dates should not be reimbursed. Subgrantees are responsible for informing their accounting office of the above invoice submission deadlines.

iii. Documentation

The TSO requires the subgrantee to maintain complete financial and programmatic documentation of claims in the form of source documents to support the amounts claimed. Such records, and other records reasonably considered as pertinent to program regulations or the grant agreement, are required to be maintained by 49 CFR Part 18.42 and must be retained for a three-year period after submittal of the final claim to the TSO.

The TSO requires that the subgrantee submit the source documents with their claim including time sheets, receipts, and other records of costs incurred, with the exception of fixed cost/fee-for-service contracts. For these contracts, payment is made based on documentation of service delivery consistent with contract requirements. However, source documentation of project expenditures are reviewed during on-site monitoring visits to assure funds were expended as allowable.

iv. Advances

Capital advances are not allowed. Reimbursement will be made only for costs incurred during the grant period. The incurrence of cost depends on the accounting system used.

v. Costs Incurred

1. If an **accrual** accounting system is used, then cost is incurred when a recorded liability exists. (Examples include invoices, bills of lading, vouchers of individual travel performed, and cash receipts of expenses incurred. Advances for anticipated costs are prohibited.)
2. If a **cash** accounting system is used, then cost is incurred when a cash disbursement has been made.

The TSO will review all proposed and submitted costs to determine that they are necessary, reasonable, and in compliance with applicable cost principles. The NDDOT Finance Division is available to assist the TSO in the analysis if requested to do so.

D. Public Information and Education (PI&E)

i. Materials

PI&E materials fall into two categories — educational and promotional and are defined as follows:

Educational — material that educates and informs an audience. These materials include items such as activity books, coloring books, brochures, posters, flyers, envelope stuffers, bumper stickers, etc.

Promotional — material that promotes, supports, or enhances efforts. These materials include key chains, on-board signs, mugs, pencils, magnets, litter bags, etc. There are more restrictions on the acquisition and use of promotional items because the cost of promotional items and memorabilia, including models, gifts and souvenirs are considered unallowable “advertising”, see 2 CFR Part 225, Appendix B Selected Items of Cost, Item 1.

Any promotional items needed to support a PI&E campaign will be purchased by the TSO. Subgrantees may not purchase promotional items with grant funds unless approval is requested by the subgrantee and provided from the TSO in advance of the purchase.

Promotional items can be used in conjunction with a project to enhance awareness of an issue, brand a campaign, or provide a reminder message for the intended recipient after the activity has been completed. When promotional items are included in a grant activity, a plan outlining the purpose of the items should be included in the project file or in the subgrantee's request to purchase promotional items. The plan should include the following information:

- Activity
- Promotional item type
- Quantity
- Cost
- Target audience
- Explanation of how the activity will help meet the objective of the project
- Description of how the results of the activity will be used and reported

Promotional items should not be freely distributed to the public without any action on a recipient's part. Persons receiving promotional items must interact with the subgrantee in some manner related to the goal of the project to receive them, such as attend a presentation, sign a pledge sheet, fill out a survey form, answer a traffic safety question, etc. The results of the interactive activity must be reported in progress reports.

In some cases, such as statewide promotions, expensive items, or special activities, the TSO may require the subgrantee to submit a report on the use of the materials. This requirement will be a special condition in the grant approval letter sent to the subgrantee. The report will include:

- The original quantity received
- Activity or activities conducted
- How the material was distributed
- Audience reached
- Any quantity remaining

If a quantity remains, the report must include a plan to use the items. The TSO must approve the plan before the remaining items can be used. This subsequent activity must be similar in scope to the original purpose and targeted audience.

ii. Advertising

The limited purchase of media time or space (television, radio, print, social mediums, etc.) by subgrantees for grant funded PI&E campaigns is permitted but must be specifically approved by the TSO and be included in the HSP.

Federally-funded public service announcements or video materials intended for television or cable television must be closed captioned.

Subgrantees that obtain grant funds through the TSO to support paid advertising are subject to the same requirements as the TSO and must provide the required federal reporting information in their progress reports to the TSO.

iii. Sports Marketing

2 CFR 225 Appendix B.14. *Costs of entertainment, including amusement, diversion, and social activities and other costs directly associated with such costs (such as tickets to shows or sports events, meals, lodging, rentals, transportation, and gratuities) are unallowable. [emphasis added]*

When considering communications, paid media, and public information expenditures that involve attendance at sporting and entertainment events that charge admission, apply the following tests:

- Determine if the amount of the contract would decrease, if the entertainment items (tickets) were removed from the contract price. If the cost of the contract is lower after the entertainment items (tickets) are removed, then the activity is unallowable and the Management review Finding will cite the 2 CFR 225 citation above. One remedy would be the reduction of the chargeable amount by the value of the tickets.
- Determine if the contract costs would remain the same with or without the tickets in the package. If the cost is unaffected by the inclusion of tickets or other entertainment items, then the activity is allowable.
 - If entertainment items are included in the contract, but specific costs for tickets, for example, cannot be identified upon review, the SHSO should request the vendor/contractor provide highway safety public service messages throughout the venue in lieu of the entertainment items.
 - If program benefit substitutions (for example, additional ads on the scoreboard) are not available, the SHSO should give any entertainment items away as incentives for strong performance in the highway safety grant program, in order to avoid any appearance of impropriety.
- Determine if state/local regulations concerning purchase and acceptance of entertainment-related events apply.

The U.S. Department of Health and Human Services' Implementation Guide for A-87 (2 CFR 225) offers useful guidance, including:

- The costs do not exceed that which would be incurred by a prudent person in similar circumstances
- The costs are of a type generally recognized as ordinary and necessary for the operation of the unit
- The costs adhere to sound business practices, pose no conflict of interest, comply with Federal, State and other laws and regulations
- Costs are within a range of market prices for comparable services and goods
- The costs were incurred by individuals acting prudently, ethically considering their responsibilities to the governmental unit, its employees, and the public at large
- The costs are allocable (assignable to an approved cost objective)
- The costs are adequately documented

When attending an event that charges admission, care should be taken to avoid any charges that could be interpreted as entertainment. 2 CFR 225, Appendix B, (14) specifically prohibits incurring costs for entertainment, which it further defines to include tickets to shows or sports events, transportation, rentals, gratuities, lodging, and meals.

Examples:

- The TSO team is assigned to work at a highway safety booth, which was rented with highway safety funds or donated by the venue. If the primary purpose for being at the event is the conduct of official highway safety business that meets the above tests, then admission for the TSO team to the venue may be accepted.
- The TSO team attends a sports or other entertainment event and performs minimal highway safety business or simply has the run of an executive suite, then the accepting admission (whether characterized as free or not) would be unallowable.
- Multiple Members of a TSO attend a sports or other entertainment event with the purpose of monitoring the placement of highway safety message on the arena scoreboard and/or perimeter boards and perform no other highway safety business, the basic allowable tests stated above and other state or local regulations will determine whether admission should be accepted.

E. Procurement of Goods and Services - Contracts

State procurement laws, administrative rules, and policies govern the purchase of goods and services for the direct use and benefit of TSO operations. State procurement laws, administrative rules, and policies can be located at: <http://www.nd.gov/spo/legal/>

NDDOT procurement policies can be accessed at:

<http://mydot.nd.gov/policies/finance/financepolicies.htm> (under Procurement)

F. Food/Beverage Costs

i. TSO and Subgrantee Purchases – Federal Requirements

Federal traffic safety grant regulations allow the reimbursement of meeting and conference costs including meals (disallowed per state law, see *State Requirements* below), transportation, rental of meeting facilities, and other incidental costs if the primary purpose is the dissemination of technical information.

The TSO meeting and conference documentation or a subgrantee's progress report shall include a statement describing the date, location, number of attendees, the food (disallowed per North Dakota state law, see *State Requirements* below), and beverage items to be purchased and a description of the meeting purpose.

Costs of alcoholic beverages are unallowable. Costs of entertainment, including amusement, diversion, and social activities and any costs directly associated with such costs (such as tickets to shows or sports events, meals, lodging, rentals, transportation, and gratuities) are unallowable.

For additional information, refer to *NHTSA Highway Safety Grant Funding Policy for Field-Administered Grants, Part III. Unallowable Costs for Selected Items, (D)* and, *2 CFR Part 225, Cost Principles for State, Local and Indian Tribal Governments (OMB Circular A-87), Item 3. Alcoholic Beverages*, and, *Item 14. Entertainment*. See also Chapter VI. *Fiscal Procedures, Section E. Allowable Costs*.

ii. TSO Purchases – State Requirements

North Dakota state law disallows the purchase of food for meetings, etc. Only coffee and soft drinks are allowed for purchase based on the following documentation from the North Dakota OMB.

OMB Policy 515 - Coffee and Soft Drink Expense

It is realized that coffee and soft drinks are an important part of meetings required by state agencies to inform and train the general public, interested parties, consultants, etc. Payment for coffee and soft drinks will be honored for processing either by travel expense voucher or miscellaneous claim for payment.

Coffee and soft drinks for state employees during staff meetings are not allowed.

Letter to NDDOT Finance Division from Sheila Peterson of OMB dated March 9, 2001

This letter specifically denied an earlier request for the NDDOT to be included as a promotional agency under OMB policy 207. Classification as a promotional agency would have given the NDDOT latitude regarding the types of expenses the agency could make with regard to public meetings.

E-mail to NDDOT Finance Division from Sheila Peterson of OMB dated October 25, 2005

This e-mail clarifies and affirms that "Coffee and soft drinks (no food) can be ordered and paid for when" ... "NDDOT arranges for and holds training or educational sessions for NDDOT employees, consultants, and non-state agency participants..."

G. Property Management

The TSO requires that any purchase of equipment using contract funds, regardless of cost, receive prior approval through the TSO. Typically, equipment purchases are approved through the grant application/contract process. If equipment was not pre-approved through the application/contract process, the subgrantee must submit a written request via email to the TSO program manager to obtain written approval in advance of the purchase.

For equipment approved for purchase with a useful life of more than one year and an acquisition cost of \$5,000 or more, the following applies.

i. Federal and State Requirements and Thresholds

Federal requirements regarding the use, management, and disposition of grant-funded equipment are found in 23 CFR §1200.21(c), and specify that states and their subgrantees manage and dispose of equipment acquired under the Section 402 program in accordance with **state** laws and procedures.

For equipment with a useful life of more than one year and an acquisition cost of \$5,000 or more, see *Chapter IV., Grant Selection and Execution, Section E., NHTSA Equipment Purchase Approval of \$5,000 or More.*

ii. Subgrantee Property Management Systems

Subgrantees must establish and administer a system to procure, control, protect, preserve, use, maintain, and dispose of property furnished to them by the TSO or purchased through a grant, subgrant, or other agreement in accordance with their own property management procedures, provided that the procedures are not in conflict with the standards contained in this section or federal property management standards procedures specified in *49 CFR Part 18.36, Procurement*, as appropriate.

Equipment and other property acquired under a grant agreement for use in highway safety projects shall be used and kept in operation for highway safety purposes.

State Agencies: See *v. TSO Inventory* below

Local Agencies and Other Non-State Subgrantees: Standards for property management described in *49 CFR Part 18.32(c) through (e)* will be used in accounting for equipment purchased under a grant agreement.

The contractor shall seek disposition instructions from the TSO prior to disposing of any item of equipment purchased. The subgrantee may follow their own existing property management standards if they exceed the requirements set out in *49 CFR Part 18.32(c) through (e)*.

iii. Subgrantee Property Records Requirements

The subgrantee property management requirements include, but are not limited to, the maintenance of accurate property records. Such records will include:

- A description of the property
- Manufacturer's serial number, model number, federal stock number, national stock number, or other identification number
- Inventory number
- Source of the property (including grant or agreement number)
- Indication of with whom title is vested (generally vests with the subgrantee)
- Acquisition date
- Percentage (at the end of the budget year) of federal participation in the cost
- Location, use, and condition of the property and the date the information was reported
- Unit acquisition cost
- Ultimate disposition date (including date of disposal and sales price or the method used to determine current fair market value)

iv. Subgrantee Inventory

Subgrantees will maintain an inventory control system to ensure adequate safeguards to prevent loss, damage, or theft of the property. Subgrantees will provide a copy of their inventory policies and procedures to the Program Manager upon request. Subgrantees will institute adequate maintenance procedures to keep the property in good condition. *49 CFR Part 18, Section 18.32 (d) (2)* provides that, "A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years."

v. TSO Inventory

North Dakota Century Code 54-27-21., *Fixed asset minimum reporting value*, establishes the requirements that all state agencies must follow regarding asset reporting, and reads:

All state departments, agencies, boards, bureaus, commissions, industries, and institutions shall include all fixed assets under their control in their financial statements, except those having a value of five thousand dollars or less. The state auditor is authorized to provide for the written exemption of specific fixed assets having a value of more than five thousand dollars when an exemption is justified upon generally accepted accounting principles.

When a grant-funded item that exceeds the \$5,000 threshold is in the control of the TSO, the TSO must include the item in the NDDOT's fixed asset reporting.

To track grant-funded equipment purchases, the TSO uses a Microsoft Excel spreadsheet which includes the purchasing agency, make and model, serial number, purchase date, and cost. The TSO verifies the status of the equipment with the grant-funded entity every two to three years. The results of the verification process are also tracked on the spreadsheet.

To verify equipment status, an email form letter is sent to each agency in the possession of TSO-funded equipment. The letter requires a response from the agency to identify the correct equipment through verification of serial number and to certify via electronic response the status of the equipment (i.e., in use or not in use).

The Finance/Contract Manager is responsible to track equipment through disposition.

While there is no requirement that the state physically inventory grant-funded activity, the TSO does complete this to some degree through on-site monitoring processes. The TSO's *On-Site Monitoring Report* has an area for Program Managers to document responses to the following equipment-related questions and issues:

- (1) Was equipment purchased during this contract period?
- (2) Was written approval from the TSO obtained prior to equipment purchase?
- (3) Has equipment accountability documentation been submitted and entered into equipment inventory?
- (4) Is equipment still accounted for?
- (5) Verify the source documentation for all expenditures.
- (6) Is equipment certification current?

vi. Disposition

Equipment shall be used by the subgrantee in the program or project for which it was acquired as long as needed, including after the project or program is no longer supported by federal funds.

Upon completion or termination of a traffic safety grant or subgrant, or if it is determined by the TSO that equipment is no longer needed for the purpose for which it was acquired, the equipment may, at the option of the TSO, become the property of the TSO. Permission for any other disposition must be obtained from TSO before any action can be taken regarding the equipment. Disposition of the equipment will be made as follows:

- Items of equipment with a current per unit fair market value of less than \$5,000 may be retained, sold, or otherwise disposed of with no further obligation to the awarding agency

- Items of equipment with a current per unit fair market value in excess of \$5,000 may be retained or sold and the awarding agency shall have a right to an amount calculated by multiplying the current market value or proceeds from the sale by the awarding agency's share of the equipment
- In cases where a subgrantee fails to take appropriate disposition actions, the awarding agency may direct the grantee or subgrantee to take disposition actions.

Per 23 CFR 1200.21(d), the TSO must seek equipment disposition approval from the NHTSA Regional Administrator in advance of any equipment disposal by the TSO or subgrantee.

A Depreciation Guide for the estimated useful life of typical traffic safety equipment has been developed by the TSO and is included as Attachment 7.

The policies and procedures for disposing of NDDOT surplus property are detailed in the *NDDOT Purchasing Policies and Procedure Manual* and *NDDOT Policy Manual Category VI, Subject 3-2*. TSO property will be disposed of in accordance to these policies.

See also *Chapter IV. Grant Selection and Execution, Section E. NHTSA Equipment Purchase Approval of \$5,000 or More*.

H. Subgrantee Travel

Reimbursement for out-of-state travel expenses by subgrantees requires prior approval of the TSO. To request approval for out-of-state travel, a subgrantee must:

1. Assure that the grant agreement includes a provision for the travel and that there are sufficient funds to cover the cost of the trip.
2. If the trip was not included in the grant agreement, submit a written request for approval to the TSO.

To qualify for approval and reimbursement, the travel must be:

- **Necessary** to assist in the completion of project and program goals and objectives
- **Specific** to the purpose of the grant (for example, an anti-impaired driving conference for a community alcohol project)
- **Appropriate** to the position and responsibility of the individual or individuals traveling (for example, project director to attend a community project seminar)
- **Of direct benefit** to the state, with such benefit unavailable through other means (for example, travel for a national, one-of-a-kind event)

Travel to attend in-state meetings or training not included in the approved contract requires the subgrantee to submit a request for prior written authorization for attendance from the TSO. Upon receiving a travel request in writing, the TSO will send a written response (typically e-mail) approving or denying the trip, with an explanation, to the subgrantee.

Subgrantees are eligible for per diem reimbursement of in-state travel costs at the state-approved rate. Out-of-state per diem rates will be reimbursed in accordance with the U.S. General Services Administration schedule available on line.

I. Indirect Costs

Indirect costs are those that have been incurred for common or joint purposes. These costs benefit more than one cost objective and cannot be readily identified with a particular final cost objective without effort disproportionate to the results achieved. After direct costs have been determined and assigned directly to federal awards and other activities as appropriate, indirect costs are those remaining to be allocated to benefited cost objectives. A cost may not be allocated to a federal award as an indirect cost if any other cost incurred for the same purpose, in like circumstances, has been assigned to a federal award as a direct cost.

Indirect costs are normally charged to federal awards by the use of an indirect cost rate. A separate indirect cost rate is usually necessary for each department or agency of the governmental unit claiming indirect costs under federal awards. Guidelines and illustrations of indirect cost proposals are provided in a brochure published by the Department of Health and Human Services entitled, *A Guide for State and Local Government Agencies: Cost Principles and Procedures for Establishing Cost Allocation Plans and Indirect Cost Rates for Grants and Contracts with the Federal Government*. A copy of this brochure may be obtained from the Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20401.

For additional information regarding indirect costs, refer to *2 CFR Part 225, Appendix E, 2 CFR Part 230 (OMB Circular A-122) "Cost Principles for Non-profit Organizations" Appendix A and Attachment E of ASMB C-10* which contains sample indirect cost rate proposals.

The TSO may eliminate or reduce subgrantee paid indirect costs by instead budgeting only for specific direct costs. Note: The general costs of government are unallowable. The same costs may not be reported as both indirect and direct. Subgrantees should be as specific as possible to tie a portion of a bill or service to the grant activity.

If the TSO is using federal funds for its own indirect costs or reimbursing state, local, or non-profit agency subgrantees for indirect costs, the TSO must comply with certain requirements.

STATE SUBGRANTEES: A state agency may be paid the state's negotiated rate obtained from a cognizant federal agency as evidenced by a letter on file and which is renewed annually. If there is no cognizant agency rate, an interagency standard indirect cost allowance is permitted equal to 10 percent of direct salary and wage cost excluding fringes, overtime and shift premiums. *See 2 CFR Part 225 Appendix A (G.) Interagency services*. If a state subgrantee has an indirect cost rate, that rate must be used in lieu of the flat 10 percent rate if it is lesser.

LOCAL and NON-PROFIT SUBGRANTEES: Where a local government is not a primary recipient of federal funds, the TSO will negotiate and/or monitor the subgrantee's indirect cost plan and an annual approval letter approved by a local government containing a certification signed by a government official specifying the year applied. The rate proposal and related documentation must be made available for federal and state audit for three years after final payment and other pending matters are closed and should be maintained annually in the subgrantee's file. *See 2 CFR Part 225, Appendix E, section D.1.b*. The rate does not have to be federally approved.

Non-profit agencies must also provide an annual approval letter containing a certification signed by the Board of Directors, a CPA, or an Executive Director and specifying the year applied and the rate. Local agencies, universities, and contractors that have a negotiated rate by a cognizant federal agency may be paid that rate. The TSO and subgrantee may mutually agree to a rate lower than that established by the cognizant federal agency or the TSO.

NOTE: The responsibility does not end after a signed agreement or certificate is placed in the project file. The TSO must periodically review **and** monitor subrecipient indirect cost plans to provide reasonable assurance that the requirements are being followed.

J. Timekeeping

Subsections of 2 CFR 225 outline timekeeping requirements in support of salaries, wages, and related costs for program management and planning and administration of NHTSA-funded projects.

The following table provides a synopsis of applicable timekeeping regulations.

Subgrantees are subject to the same requirements as the primary award recipients – see 2 CFR 225, Appendix A, A(3)(b).

Scenario	Documentation Required	Regulation
Time charged to more than one federal grant award/cost center	After-the-fact Personnel Activity Report (PAR)	2 CFR 225, Appendix B, 8(h)(4)
Time charged solely for work on a single award/cost center	Semi-annual certifications*	2 CFR 225, Appendix B, 8(h)(3)
Time charged solely to a single award for work on multiple priority areas (for example, Section 402 funds for impaired driving and occupant protection projects or Section 402 funds for Section 410 program)**	After-the-fact PAR or before-the-fact charge distribution based on proportional work, number of projects, and/or funds managed	2 CFR 225, Appendix B, 8(h)(3)
Time charged to a federal grant program when an employee works on a federal award and a non-federal award; an indirect cost activity and a direct cost activity; an unallowable activity and a direct or indirect cost activity	After-the-fact PAR	2 CFR 225, Appendix B, 8(h)(4)(a-e)
Charges the salary and related costs for TSO employees to a combination of planning and administration functions and program management functions	PAR showing actual time spent on each function. Record keeping system must be approved by NHTSA	23 CFR 1252.5(c)(3)(d)

*This requirement can be met through certain payroll codes and time and attendance certifications pursuant to payroll authorizations. For example, if (1) employees work in a dedicated function; (2) their potential assignment to multiple programs/activities is not within the authority, function, or purview of the supervisor responsible for certifying payroll time and attendance; and (3) the employee is coded to a dedicated function not benefitting multiple functions or programs, the payroll certification shall be accepted in lieu of the semi-annual certification of time and effort.

**If an employee charges to a single award for time spent on multiple program areas, time billed must reflect the corresponding priority program area. For example, an employee bills all time to 402, but spends time on 410 projects. The employee can charge to 402 but time billed must reflect the appropriate 402 program area of alcohol.

K. Program Income

Most traffic safety grants are intended to provide financial start-up for projects so that they can become self-sustaining. Some projects conduct activities that generate income to cover present and future costs. When subgrantees earn money for their services or products, they may be earning what is defined in the federal regulations as “program income”. Income earned by the subgrantee with respect to the conduct of the grant (e.g. sale of publications, registration fees, service charges, etc.) must be accounted for fully and applied to project purposes or used to reduce costs.

As defined in *23 CFR, Part 1200.24*, program income means gross income earned by the subgrantee from grant-supported activities. Such earnings may include but are not limited to:

- Income from service fees
- Sale of commodities fabricated under the grant
- Use or rental fees of equipment (property) acquired with grant funds
- Conference or training registration fees when the subgrantee is the host agency

The TSO must approve a subgrantee's request to earn program income. There must be an indication in the TSO HSP project description that the grant will generate program income and the total income earned must be reported by the TSO in the Annual Report. There also must be a clause in the grant agreement which states that the grant will earn program income and the subgrantee will expend the funds to fulfill the objectives of the grant. Recommended language for grants generating program income is as follows:

- All program income earned during the grant period shall be retained by the subgrantee and, in accordance with the grant or other agreement, shall be added to federal funds committed to the project and be used to further eligible program objectives.
- Program income that remains unexpended after the grant ends shall continue to be committed to the original grant objectives.

Subgrantees must record the receipt of program income as a part of the grant project transactions in accordance with the grant agreement. Program income should be recorded and submitted with the subgrantee claim form.

Subgrantees must also record and report the expenditure and disbursement of program income revenues as a part of the grant transactions in accordance with the grant agreement. Program income expenditures should be recorded and submitted with the subgrantee claim form.

For projects that **accumulate** program income, each claim form must contain information about the program income. The following information must be included:

- The amount of program income earned in this period (supported by an entry on the form for reporting program income received)
- The previously accumulated program income by cost category where it was expended (supported by previous entries on the form for reporting program income received)
- The amount of program income previously expended by cost category
- The amount of program income expended in the current period by cost category (supported by entries on the form for reporting program income disbursed)
- The remaining program income balance by cost category, if any

L. Supplanting

The replacement of routine and/or existing state or local expenditures with the use of federal grant funds for the cost of activities that constitute general expenses required to carry out the overall responsibility of a state or local agency is considered to be supplanting and is not allowable. Refer to *NHTSA Highway Safety Grant Funding Policy for Field-Administered Grants, Part III, D(1). Program Administration, Supplanting*.

The TSO and subgrantees shall not use grant funds to supplant state or local funds or other resources that would otherwise have been made available for the grant program.

Subgrantee employees: The Financial Officer and the Authorizing Official for a subgrantee may not be funded under a grant.

M. Grant File Maintenance

Sound fiscal and program management of the TSO traffic safety program can be verified through the development and maintenance of complete, accurate, and accessible files. The TSO must establish a physical project file for every grant. The contents of the file of record will vary, depending on the type of agreement. The file of record will include any or all of the following:

- Signed grant application, if applicable
- Signed contract and any amendments
- Correspondence
- Claims with all supporting documentation
- Progress reports with all supporting documentation
- Monitoring reports
- Project accomplishment/final reports
- Data collection and trainings conducted
- Indirect cost approval letter, if applicable
- Soft match documentation, if required
- Other supporting documentation

Project files will be maintained electronically per the NDDOT's Electronic Document Management System (EDMS). Original project documents are scanned and maintained via EDMS.

Public access: All file information is a matter of public record. However, proper file management precludes public access to the files, which may include information of a sensitive nature such as personnel salaries, budget information, and internal correspondence. Access to the file of record will therefore generally be limited to those governmental officials with responsibility for the submission, operation, and close-out of the projects.

File retention: Federal regulation requires that grantees maintain contract and grant agreement records for three years from the date of final payment, until completion of audits, or until pending litigation has been fully resolved, whichever occurs last. A clause to this effect is included in each contract. The term "records" includes all books, documents, papers, accounting records, and other evidence pertaining to costs incurred and work performed.

The NDDOT records retention policies are as follows:

- TSO contracts are retained for the life of the contract plus six years, and then disposed.
- Contracts that were canceled (signed but then terminated) are retained for the current contract year plus six years, and then disposed.

- Contracts that were never signed by the department are retained for the current contract year plus two years, and then disposed.
- Reference materials are retained in the office until updated or obsolete, and then disposed.

The TSO Manager, Program Managers, and the Finance/Contract Manager are responsible for maintenance of the grant filing system in compliance with this policy. Files should be reconciled annually after the fiscal year close out to assure that all required documents are in place. The contents of the file will vary, depending on the type of agreement.

N. Monitoring

i. Purpose

According to *49 CFR Part 18.40*, the TSO is responsible to manage the day-to-day operations of grant and subgrant supported activities. The TSO must monitor grant and subgrantee supported activities to assure compliance with applicable federal requirements and that performance goals are being achieved. Monitoring must cover each program function or activity.

Monitoring is done to maintain control of a project, detect problems, identify changes or training needed, provide data for planning and evaluation, and create an opportunity for the TSO to provide technical assistance when needed. It also is a way to encourage accountability on behalf of the subgrantee. Monitoring requires forms to be completed for documentation.

ii. Types of Monitoring

The TSO will use the following types of monitoring:

- Ongoing contact with the subgrantee through emails, phone calls, meetings, and correspondence
- On-site monitoring reviews of project operations, management, and financial systems
- Ongoing review of progress reports
- Ongoing review and approval of claims

iii. Major Elements of Monitoring Procedures

There are several important elements to consider when determining what level of monitoring is appropriate for a specific subgrantee. These elements include:

- Frequency of the monitoring
- Items to cover
- Procedures to follow
- Persons to involve
- Documentation to complete
- Evidence of present or potential problems

Answering the questions of how often, who to involve, and how to monitor depends on the following criteria:

Table 8. Monitoring Criteria

Criteria	Explanation
The length and complexity of the project	The longer and more complex the project, the more frequent and formal the monitoring should be
The capabilities and experience with the subgrantee	Lower capabilities and/or lack of experience with the subgrantee normally require more frequent and formal monitoring
Any indications of problems, lack of performance, or change in direction	The more problems and changes, the more frequent and formal monitoring should be

iv. Ongoing Monitoring

Ongoing monitoring occurs every time a Program Manager (or other applicable TSO personnel) holds a discussion or communicates with a subgrantee project manager through phone calls, meetings, email, or correspondence.

- **Frequency:** Ongoing monitoring can occur daily, weekly, or monthly. Weekly phone calls may be appropriate if there are problems. Monthly status meetings might be needed for complex projects. Some form of ongoing monitoring will be conducted by the Program Manager with each subgrantee in their program area at least monthly.
- **Problems:** If problems are identified, the situation could require a meeting between the subgrantee and TSO personnel or even the scheduling of an on-site monitoring visit (See *Subsection v. On-Site Monitoring*, below. Reference should also be made to *Section N. Resolution of Monitoring Findings*). The determination of the appropriate action to be taken should be made by the Program Manager and the TSO Manager. Any additional monitoring requirements will be documented in the grant file.
- **Approach:** The Program Manager will rely on regular correspondence and the annual on-site visit to handle routine project issues. The subgrantee's project manager should monitor work under the agreement with sufficient frequency to be sure that the work is progressing according to the plan and to quickly identify any major problems or variances from the plan. Careful monitoring of work is the best method to assure compliance with the grant and preventing disputes.
- **Items:** Any item related to the progress and management of the grant should be covered in ongoing monitoring. Although usually limited to the progress of activities, ongoing monitoring should also cover budget issues, problems encountered, procurement procedures, projected changes, etc.
- **Procedures:** The Program Manager will routinely set aside time to call or meet with subgrantee personnel. The Program Manager should make a list of issues or questions to cover prior to the contact. The Program Manager should ensure that all issues are covered or that a deadline has been agreed upon to resolve any issues. Routine meetings will be specified in the grant agreement as necessary.
- **Participants:** Ongoing monitoring can involve any grant personnel with management or oversight responsibility for the project. In addition to the Program Manager, this may include the Finance/Contract Manager and any other key project personnel.
- **Documentation:** Copies of correspondence are to be kept in the TSO grant file. A note to the file should be provided to document significant changes in the project activities, budget, or personnel as necessary. The documentation is also extremely important at the end of the project as it is used to evaluate grant and subgrantee performance.

v. On-site Monitoring

Calls, letters, and occasional meetings may not be sufficient to monitor a project, particularly those that are more complex. In some cases, a Program Manager will need to go on-site to review project status, documents, and subgrantee management and financial systems. This type of in-depth review is called “on-site monitoring” because the Program Manager must actually go to the location of the project and the offices of the subgrantee to conduct this monitoring. The need for an on-site monitoring may also be identified by the Program Manager during ongoing monitoring activity.

Frequency: The Program Manager shall conduct at least one on-site monitoring visit per year for subgrantees meeting the following criteria:

- Total cost of the grant agreement exceeds \$20,000
- A recent ongoing monitoring identified a potential problem

The Program Manager will identify the list of subgrantees to be monitored each fiscal year using the above criteria and develop a proposed monitoring schedule. On-sites should be scheduled to occur early mid-fiscal year (February to April ideally) to allow for adequate work to occur under the contract, but to provide adequate time for the subgrantee to correct any deficits identified during the on-site monitoring.

Items to Review: An on-site monitoring includes an examination of all issues related to the effective and efficient operation of the project. The following, though not all-inclusive, are the most important items to review:

- Progress toward achievement of objectives and performance goals
- Adherence to milestones and action plan
- Status of budget
- Accounting records
- Personnel records and time sheets
- Any necessary pre-approvals (such as out of state travel)
- Supporting documentation (verification of costs, invoices, subcontracts, etc.)
- Equipment purchased or leased as part of the project i.e., inventory, and inspect to ensure that it is being used for the purpose for which it was bought or leased under the grant agreement

Advance Preparation: Prior to the on-site monitoring, the Program Manager should:

- Plan each site visit well in advance (preferably three to four weeks)
- Carefully review the grant agreement to determine which activities in the action plan should have been accomplished by the on-site monitoring date
- Note any special terms or conditions that need monitoring
- Review all correspondence, performance reports, and requests for claim reimbursement submitted prior to the visit
- Set appointments with the subgrantee's project staff
- Provide to the subgrantee a list of the types of documents to be reviewed, including time sheets, purchase vouchers, and forms
- Note items requiring follow-up from previous monitoring visits or ongoing monitoring

Review of Source Documents: The Program Manager will review source documents and evidence of task completion depending upon the activities to be conducted and the types of costs involved in the project. Examples of source documents to be included are shown in the following table:

Table 9. Source Documents Reviewed During On-Site Monitoring

Document Type	Notes
Time sheets	Time sheets, pay records, payroll registers, and possibly personnel (salary rate) records must be reviewed to determine that salary and wage costs are fully supported. Time sheets must account for 100 percent of time, regardless of the amount charged to a grant. If only a percent of time is to be reimbursed, then the prorated amount must be correct.
Fringe benefits	If reimbursable, fringe benefits (such as health insurance, pension plan, etc.) must correspond to the amount or percent eligible.
Travel costs	Only travel directly associated with the grant may be reimbursed. This might include, for example, travel to meetings called by the HSO.
Claims and payments	Only those costs in the approved budget may be reimbursed. Any discounts must be credited; the discounted amount would be reimbursable. Any payments must be directly attributable to the grant costs.

In the case of a high volume of documents, a sampling methodology may be used, either randomly or selectively (such as, every fifth voucher or every other time sheet). The purpose of the financial document review is to ensure that costs claimed reconcile to the documentation.

Review of Project Status: The Program Manager will review the status of project activities. Examples of evidence of progress toward task completion might include:

- Attendance rosters for training projects or events
- Citations and warnings for enforcement projects
- Newspaper clippings of events for public information activities
- Analyses and reports for data or problem identification projects
- Survey or questionnaire results
- Personnel training records

Review of Budget Requirements: The Program Manager will review the records for adherence to the budget requirements, including, but not limited to, determining whether:

- Expenditures are on schedule
- Costs are in the approved budget or any subsequent amendment
- Any necessary prior approvals for travel, equipment purchases, or changes have been obtained
- Appropriate procedures have been followed for all expenditures
- Appropriate supporting documentation is available and filed
- Reimbursements are up to date

Direct Observations: Although not required, on-site monitoring may also include direct observation of activities performed. These might include attendance or participation in a:

- Meeting, workshop, or training course
- Press conference or other media event
- Presentation to a school, organization, or civic club
- Task force or committee meeting
- Shift of overtime enforcement

Documentation: The Program Manager will complete the required on-site TSO monitoring report form entitled, *Program and Financial On-Site Monitoring Report (SFN 18039)* (Attachment 7). The Program Manager will sign the form according to the instructions provided and include documentation and attach copies of all appropriate records and other documents reviewed during the visit. The form, with attachments, will be placed in the subgrantee file at the TSO.

A monitoring form for law enforcement has also been developed (Attachment 8) and is used by Program Managers when on-site with law enforcement grantees. While the TSO policy does not require that law enforcement agencies that receive less than \$20,000 receive an on-site monitoring, it is typically completed as Program Managers conduct on-site visits with law enforcement through the fiscal year.

Subgrantee notification-compliance: The subgrantee is notified of the results of the on-site monitoring by email copy. The subgrantee reviews, approves (or disapproves with an explanation), signs the document and returns the document to the TSO for inclusion in the project file.

Subgrantee notification-noncompliance: If corrective action is needed, reference should be made to *Section N. Resolution of Monitoring Findings*. The determination of the appropriate action will be made by the Program Manager, the TSO Manager, and the Safety Division Director. Any additional monitoring requirements will be documented in the grant file.

Table 10. On-Site Monitoring Warning Signs

Late project start	Frequent personnel changes
Low activity level	Revisions to the grant
Slow expenditure rate	No records or inconclusive records
Late reports	Evasive answers
Low morale/poor attitude	Submission of questionable claims or back-up documentation
Incorrect claims	Failure to obtain required TSO approvals

O. Resolution of Monitoring Findings

i. Minor Findings

The Program Manager will notify the subgrantee's project director in writing upon any initial indication of minor discrepancies or errors in reporting, project implementation, or accounting. Examples of minor discrepancies include:

- Delays in activities that will not adversely affect the timely completion of the grant
- Typographical errors in an invoice that would not affect the amount reimbursed

A written notification of any finding must include the following information:

- A detailed description of the finding
- A description of any actions or options the subgrantee may make in response to the finding
- A date by which the subgrantee should implement the recommended action or advise the TSO of a proposed alternative or both. Under most circumstances, this date should be no more than 30 days after written notification by the TSO.

Copies of this correspondence, including copies of e-mail exchanges, are to be included in the grant file.

ii. Repeated Incidence/More Serious Findings

Upon a repeated incidence of a minor finding or a more serious error or discrepancy, the Program Manager will request through the TSO Manager that a notice in writing, entitled "Grantee on Notice", be sent to the subgrantee with the Safety Division Director approval and signature. Examples of more serious errors or discrepancies include:

- Untimely submission or omission of required reports or invoices including required supporting documentation
- Invoice for an unallowable or unapproved item
- Typographical or mathematical error that affects the amount of reimbursement

- Actions taken without prior approval when the grant stipulated prior approval
- Significant delay in achievement of objectives and performance goals

In addition to the information required for a minor finding or first notification, the “Grantee on Notice” letter will include any potential ramifications or imposed requirements. These remedies might include temporary delays in reimbursement or modification of the agreement including the reduction of funding or cancellation of the project agreement.

iii. Significant Findings Requiring Immediate Action

In the event there are serious problems or issues identified, the Program Manager will immediately notify the TSO Manager who will notify the Safety Division Director to determine the appropriate course of action. If serious financial problems are identified, the TSO may request a full audit be completed by an outside auditor before taking further action.

Significant findings are to be addressed immediately by a “Grantee on Notice” letter to the subgrantee with the Safety Division Director approval and signature. Significant findings include, for example:

- Work not being performed as written in the grant agreement
- Delays that are likely to significantly impact the successful implementation of the grant
- Indication of fraud or other illegal activity associated with management or implementation of a project
- Continuing delays or omissions in the submission of required documents
- Consistent failure to abide by a provision in the grant agreement.

iv. Resolution of Repeated, More Serious, and Significant Findings

Immediate action to correct the problem will be negotiated by the TSO and the subgrantee, and implemented by the subgrantee. The subgrantee will be required to submit a Corrective Action Plan (CAP) to the TSO which details how and when the identified deficiencies will be addressed and will be signed as appropriate by the parties involved. A date for an on-site follow-up review will be established, and corrective action will be monitored by the TSO for compliance.

In addition, the following statement may be included in the CAP:

“The TSO has determined that the subgrantee is a ‘Grantee on Notice’ during federal fiscal year (XXXX) due to the following reasons: (list applicable reason). Your agency is informed that if similar failures to meet the grant requirements occur in the current fiscal year, the TSO may modify the agreement including the withholding of grant reimbursement, suspension of all or part of the grant, or cancellation of the grant as provided by 49 CFR Part 18.43. The TSO will work with your agency wherever possible to assist your agency to fulfill the requirements of the grant agreement.”

If the problems or issues cannot or have not been resolved, the following actions may be imposed by the TSO consistent with 49 CFR Part 18.43:

1. Withhold grant reimbursement – Requires the Safety Division Director to provide written notice to the subgrantee's project director detailing the specific problem or issue, the action required to correct the situation, and applicable penalty for failure to make the correction(s).
2. Suspension of grant or part of grant – Requires the Safety Division Director to provide written notice to the subgrantee's project director at least 10 days before effective date of the suspension and should include the part or activity in the grant which is being suspended and the action to be taken by the sub grantee to remove the suspension.

3. Cancellation of grant – (A last-resort action to be used only when a subgrantee or any recipient of federal funds under the grant fails to fulfill the terms and conditions of the grant agreement in a timely and proper manner, refuses to abide by specific terms or conditions, or violates the terms of a contract.) Requires the Safety Division Director to provide written notice to the subgrantee's project director at least 30 days before effective date of the cancellation and shall include:
 - a. Effective date of the grant cancellation
 - b. Specific terms and/or conditions violated
 - c. Requirement to forward to the TSO all grant-related materials, whether or not completed

The subgrantee is entitled to receive reasonable and equitable reimbursement for work satisfactorily completed. Equipment purchased with grant funds shall revert to the TSO for disposition in accordance with applicable federal regulation.

Copies of any action involving suspension or cancellation will also be forwarded to the Regional Administrator of the NHTSA Region 8 office.

v. Removal of "Grantee on Notice" status

A subgrantee designated as a "Grantee on Notice" will remain as such until the TSO has determined through a review that all deficiencies have been corrected. If all deficiencies are found by the TSO to have been corrected, the subgrantee will be removed from "Grantee on Notice" status at the beginning of the next fiscal year. If one or more of the initial reasons for designating the subgrantee as a "Grantee on Notice" is found to still exist any time during the fiscal year, the subgrantee will remain as a "Grantee on Notice." If a subgrantee is designated as a "Grantee on Notice" for a duration of six months or more during the fiscal year, the TSO will automatically place any requests by the subgrantee for funding in the next fiscal year within the "not to be funded" category.

P. Federal Funding Accountability and Transparency Act (FFATA)

The Federal Funding Accountability and Transparency Act (FFATA) was signed on September 26, 2006. The intent is to empower every American with the ability to hold the government accountable for each spending decision. The end result is to reduce wasteful spending in the government. The FFATA legislation requires information on federal awards (federal financial assistance and expenditures) be made available to the public via a single, searchable website, which is www.USASpending.gov.

The FFATA Subaward Reporting System (FSRS) is the reporting tool federal prime awardees (i.e. prime contractors and prime grants recipients) use to capture and report subaward and executive compensation data regarding their first-tier subawards to meet the FFATA reporting requirements. Prime contract awardees will report against sub-contracts awarded and prime grant awardees will report against sub-grants awarded. The sub-award information entered in FSRS will then be displayed on www.USASpending.gov associated with the prime award furthering federal spending transparency.

i. Reporting Timeline for Prime Contractors

Prime Contractors awarded a federal contract or order that is subject to Federal Acquisition Regulation clause 52.204-10 (Reporting Executive Compensation and First-Tier Subcontract Awards) are required to file a FFATA subaward report by the end of the month following the month in which the prime contractor awards any subcontract greater than \$25,000.

ii. Reporting Timeline for Prime Grant Recipients

Prime Grant Recipients awarded a new federal grant greater than or equal to \$25,000 as of October 1, 2010 are subject to FFATA sub-award reporting requirements as outlined in the Office of Management and Budgets guidance issued August 27, 2010. The prime awardee is required to file a FFATA subaward report by the end of the month following the month in which the prime recipient awards any subgrant greater than or equal to \$25,000.

iii. Procedures

To assure compliance with the FFATA requirements, the TSO collects the required subrecipient information from contractors during the contract execution process using the form entitled, Subrecipient Information (SFN 60019). This form is included in Chapter 6 as Attachment 9.

Subrecipient information is then entered into the FFATA Subaward Reporting System (FSRS) at www.fsrs.gov by the TSO's Finance/Contract Manager.

Data entry cannot occur until the Federal Award Identifier Number (FAIN) is made available. A delay in FAIN availability may impact the ability to file a report within the required timeframe.

ESTIMATED USEFUL LIFE AND DEPRECIATION GUIDE

Revised April 2012

The estimated useful life and depreciation guide used by the North Dakota Department of Transportation, Traffic Safety Office is as follows:

ASSET	ESTIMATED USEFUL LIFE	SOURCE	DEPRECIATION GUIDE*
Alcohol			
Gas Chromatograph	8 years	North Dakota Office of Attorney General	
Generators	8 years	North Dakota Office of Attorney General	
Headspace Analyzer	6 years	North Dakota Office of Attorney General	
Headspace Autosampler	6 years	North Dakota Office of Attorney General	
Hemoximeter	8-10 years	North Dakota Office of Attorney General	
Intoxilyzer	8-10 years	North Dakota Office of Attorney General	
Preliminary Breath Test Devices	3 years	North Dakota Office of Attorney General	
SCRAMs (Secure Continuous Remote Alcohol Monitoring)	2-3 years	North Dakota Office of Attorney General	
Simulator System Workstation	5 years	North Dakota Office of Attorney General	
Speed			
Radar	4 years	NDDOT, Traffic Safety Office	15 years
Speed Monitoring Devices	10 years	NDDOT, Traffic Safety Office	
Other			
Digital Surveillance Camera	3 years	NDDOT, Traffic Safety Office	5 years
Computer	5 years	NDDOT, Traffic Safety Office	5 years
Scanner	5 years	NDDOT, Traffic Safety Office	10 years
Seat Belt Convincer	5 years	NDDOT, Traffic Safety Office	

*From the Internal Revenue Service.

PROGRAM AND FINANCIAL ON-SITE MONITORING REPORT

North Dakota Department of Transportation, Safety Division
SFN 18039 (Rev. 07-2010)

Date of review:

Project number:

Fiscal year:

Agency name:	
Contract start date:	Contract end date:
Program coordinator name:	
Name and title of person(s) contacted:	
Project description and activities:	Review completed: ____ on-site ____ phone
Month selected for complete review: (Obtain all supporting financial documents for claims filed during this month and attach them to this form.)	
Date on-site letter sent to agency: ____/____/_____ (Attach a copy of letter to this form.)	
TSO contract manager completed on-site report:	If not, explain:
Agency reviewed on-site report: (Signature)	Approved or not approved. If not, explain.

ACTIVITIES

	Yes	No	Explain, if necessary.
1. Are the program goals and milestones on schedule?			
2. Are ____ monthly ____ quarterly report forms current and complete?			
3. Is the contract consistent with the approved Highway Safety Plan?			
4. Are any special conditions being addressed?			
5. Is there a need for budget or activity revisions?			

Programmatic review (if not addressed above):

Define problem:

Goal(s) of project (identify objectives with concerns to be addressed):

Are goals being met and do they impact state goals:

Does reported data agree with on-site data (citation numbers, crashes, etc.):

TSO recommendations/suggestions, based on project review:

FINANCIAL

	Federal	Match	Local	Program Income
Contract amount				
Costs reimbursed to date				
Difference				
Match claimed to date				

	Yes	No	Explain, if necessary.
1. Were claimed costs eligible for reimbursement?			
2. Were vouchers submitted on a regular and timely basis?			
3. Is program match documented?			

PROGRAM AND FINANCIAL ON-SITE MONITORING REPORT

North Dakota Department of Transportation, Safety Division
SFN 18039 (Rev. 07-2010)

4. Are funds being expended appropriately for approved activities?			
5. Are adequate records being maintained regarding all project costs and activities?			
6. Do fiscal documents agree with reimbursement claims?			
7. Are grant funds identified separately in the grantee's official accounting records?			
8. Is program income generated?			
9. Is program income identified separately in the grantee's official accounting records?			
10. Are supporting documents for grants and/or sub-grants filed in such a manner to be readily located?			
11. Is there documentation on file to support the local match claims?			
a. Fair market wages for volunteers.			
b. Costs and contributions counting toward satisfying a cost sharing or matching requirement must be verifiable.			

Financial review (if not addressed above):

EQUIPMENT

	Yes	No	Explain, if necessary.
1. Was equipment purchased during this contract agreement period?(If no, skip questions 2-6.)			
2. Was written approval from the state office obtained prior to equipment purchase?			
3. Has equipment accountability documentation been submitted and entered into equipment inventory?			
4. Is equipment still accounted for?			
5. Verify the source documentation for all expenditures over \$5,000.			
6. Is equipment certification current?			

Equipment review (if not addressed above):

EVALUATION

	Yes	No	Explain, if necessary.
1. Is there a programmatic/outcome-based evaluation in the application?			
2. Has any other form of evaluation been completed?			
3. Can we determine, at this point, the programmatic effectiveness of this project?			

Items for follow-up/timelines:

Law Enforcement Agency On-site Financial and Accountability Review

Date: _____, 2011

Agency: _____

Program Coordinator/Office Manager: _____

Contract File Contents	Yes	No*
Contract (signed copy)		
Voucher		
Log sheets		
Payroll Verification		

How are contacts verified?

How are verbal warning stops verified?

*Explain why any of the above contents are not in contract file.

Signed Statement for permission to use stats for matching funds ____ Yes ____ No

No, why? _____



North Dakota Department of Transportation Safety Division

Francis G. Ziegler, P.E.
Director

Jack Dalrymple
Governor

September 15, 2011

Kim Vachal, UGPTI
NDSU, Dept. 2880
Post Office Box 6050, 430 IACC Bldg
Fargo, ND 58108

TRAFFIC SAFETY CONTRACT #12112381, PROJECT #PHSP4021205-03-01, #PHSP4021209-06-01, #PHSP4101205-01-01, & #ASAP2011-01-01

Enclosed is the contract that has been awarded to the North Dakota State University. Please read the **entire contract and other enclosures**, as key information is provided and/or requested. Not fulfilling these requirements may delay processing or lead to a cancellation of the contract.

1. The contract **must** be signed by a person with **contracting authority** (e.g., mayor; commissioner).
2. A witness **must** sign to the **left** of the contractor's signature.
3. **Return the ENTIRE ORIGINAL CONTRACT, INCLUDING ALL APPENDICES.**
4. A complete and executable copy of the contract will be sent to you.
5. You must review the requirements listed on the enclosed **Risk Management Appendix**.
6. A copy of your current **Certificate of Liability Insurance** information may be required.
 - If your agency is insured through the **North Dakota Insurance Reserve Fund** (state agencies) or is a political subdivision (county/city agencies), do not submit insurance information now; however, you may be asked for confirmation of coverage at a later date.
 - If your agency is not insured through North Dakota Insurance Reserve Fund, your **insurance certificates must name the state as an additional insured and a waiver of subrogation must be provided.**
7. As a contractor, your agency is a sub-recipient of federal funds and therefore subject to the reporting requirements of the Federal Funding Accountability and Transparency Act (FFATA). A Sub-Recipient Information (SFN 60019) form is enclosed for completion.

Key Notes:

- Periodic desk and onsite monitoring by program managers are required.
- Progress reports, if necessary, are required to be submitted prior to reimbursement.
- Per OMB Circular A-133, Subpart B, § .200; Non-federal entities that expend \$500,000 or more in a year in federal awards shall have a single or program-specific audit conducted for that year.

We look forward to the many safety benefits your program will provide to the state of North Dakota. If you have any questions, feel free to contact me by email at lharsche@nd.gov or by phone at 328-2402.

LORY HARSCHÉ – CONTRACT MANAGER

12/kf
Enclosures—2

